

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

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U.S. DISTRICT COURT

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TX EASTERN-MARSHALL

Compression Labs, Incorporated, )

*Plaintiff,* )

v. )

1. Agfa Corporation, )

2. Apple Computer, Incorporated, )

3. Axis Communications, Incorporated, )

4. Canon, USA, Incorporated, )

5. Concord Camera Corporation, )

6. Creative Labs, Incorporated, )

7. Eastman Kodak Company, )

8. Fuji Photo Film U.S.A., )

9. Fujitsu Computer Products of America, )

10. Gateway, Incorporated, )

11. Hewlett-Packard Company, )

12. JASC Software, )

13. JVC Americas Corporation, )

14. Kyocera Wireless Corporation, )

15. Macromedia, Incorporated, )

16. Matsushita Electric Corporation of )

America, )

17. Mitsubishi Digital Electronics America, )

Incorporated, )

18. Océ North America, Incorporated, )

19. Onkyo U.S.A. Corporation, )

20. PalmOne, Incorporated, )

21. Panasonic Communications Corporation )

of America, )

22. Panasonic Mobile Communications )

Development Corporation of USA, )

23. Ricoh Corporation, )

24. Riverdeep, Incorporated (d.b.a. )

Broderbund), )

25. Savin Corporation, )

26. Thomson, Incorporated )

27. Xerox Corporation, )

*Defendants.* )

BY \_\_\_\_\_

C.A. No. 2:04cv158

Judge Folsom

JURY

**FIRST AMENDED COMPLAINT**

Compression Labs, Inc. ("CLI") for its Complaint against Defendants alleges as follows:

### **NATURE OF THE ACTION**

1. This is a patent infringement action to stop each Defendant's unauthorized and infringing sale, offers to sell, use and importation of products incorporating CLI's patented technology. CLI seeks injunctive relief to stop Defendants from continuing to infringe CLI's valuable patent rights, as well as monetary damages.

### **THE PARTIES**

2. Plaintiff, CLI, is a corporation existing and organized under the laws of Delaware and has its principal place of business at 108 Wild Basin Drive, Austin, TX 78746.

3. Defendant Agfa Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 100 Challenger Road, Ridgefield Park, NJ 07660.

4. Defendant Apple Computer, Incorporated is a corporation existing and organized under the laws of California and has its principal place of business at 1 Infinite Loop, Cupertino, CA 95014.

5. Defendant Axis Communications, Incorporated is a corporation existing and organized under the laws of Massachusetts and has its principal place of business at 100 Apollo Drive, Chelmsford, MA 01824.

6. Defendant Canon, U.S.A., Incorporated is a corporation existing and organized under the laws of New York and has its principal place of business at One Canon Plaza, Lake Success, New York, NY 11042.

7. Defendant Concord Camera Corporation is a corporation existing and organized under the laws of New Jersey and has its principal place of business at 4000 Hollywood Boulevard, Suite 650N, Hollywood, FL 33021.

8. Defendant Creative Labs, Incorporated is a corporation existing and organized under the laws of California and has its principal place of business at 1901 McCarthy Boulevard, Milpitas, CA 95035.

9. Defendant Eastman Kodak Company is a corporation existing and organized under the laws of New Jersey and has its principal place of business at 343 State Street, Rochester, NY 14650.

10. Defendant Fuji Photo Film U.S.A. is a corporation existing and organized under the laws of New York and has a place of business at 200 Summit Lake Drive, Valhalla, NY 10595.

11. Defendant Fujitsu Computer Products of America is a corporation existing and organized under the laws of California and has its principal place of business at 2904 Orchard Parkway, San Jose, CA 95134.

12. Defendant Gateway, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 14303 Gateway Place, Poway, CA 92064.

13. Defendant Hewlett-Packard Company is a corporation existing and organized under the laws of Delaware and has its principal place of business at 3000 Hanover Street, Palo Alto, CA 94304.

14. Defendant JASC Software is a corporation existing and organized under the laws of Minnesota and has its principal place of business at 7905 Fuller Road, Eden Prairie, MN 55344.

15. Defendant JVC Americas Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1700 Valley Road, Suite 1, Wayne, NJ 07470.

16. Defendant Kyocera Wireless Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 10300 Campus Point Drive, San Diego, CA 92121.

17. Defendant Macromedia, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 600 Townsend Street, San Francisco, CA 94103.

18. Defendant Matsushita Electric Corporation of America is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1 Panasonic Way, Secaucus, NJ 07094.

19. Defendant Mitsubishi Digital Electronics America, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 9351 Jeronimo Road, Irvine, CA 92618.

20. Defendant Océ North America, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 5450 North Cumberland Avenue, Chicago, IL 60656.

21. Defendant Onkyo U.S.A. Corporation is a corporation existing and organized under the laws of New Jersey and has its principal place of business at 18 Parkway, Upper Saddle River, NJ 07458.

22. Defendant PalmOne, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 400 North McCarthy Boulevard, Milpitas, CA 95035.

23. Defendant Panasonic Communications Corporation of America is a corporation existing and organized under the laws of Delaware and has its principal place of business at 7625 Panasonic Way, San Diego, CA 92154.

24. Defendant Panasonic Mobile Communications Development Corporation of USA is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1225 Northbrook Parkway, Suite 2-352, Suwanee, GA 30024.

25. Defendant Ricoh Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 5 Dedrick Place, West Caldwell, NJ 07006.

26. Defendant Riverdeep, Incorporated (d.b.a. Broderbund) is a corporation existing and organized under the laws of Delaware and has its principal place of business at 500 Redwood Boulevard, Novato, CA 94947.

27. Defendant Savin Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 333 Ludlow Street, Stamford, CT 06902.

28. Defendant Thomson, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 10330 North Meridian Street, Indianapolis, IN 46290.

29. Defendant Xerox Corporation is a corporation existing and organized under the laws of New York and has its principal place of business at 800 Long Ridge Road, Stamford, CT 06904.

### **JURISDICTION AND VENUE**

30. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 et seq., and in particular 35 U.S.C. §§ 271, 281, 283, 284 and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. 1338(a).

31. This Court has personal jurisdiction over each of the Defendants and venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

### **COUNT 1 – PATENT INFRINGEMENT**

32. This case involves technology used to process digital signals. CLI owns patents relating to such technology, and CLI invested substantial amounts in related research and development.

33. United States Patent No. 4,698,672 entitled “Coding System for Reducing Redundancy” (hereinafter “the ‘672 patent”), was duly and legally issued on October 6, 1987. CLI is an owner of the ‘672 patent and, pursuant to an agreement with its co-owner, has the exclusive rights to sue and recover for infringement thereof with respect to the Accused Devices, as hereinafter defined. A copy of the ‘672 patent is attached as Exhibit A.

34. Defendants offer to sell, sell, use, and/or import into the United States devices, at least portions of which are designed to be at least partly compliant with the JPEG standard as defined by CCITT Recommendation T.81 approved on September 18, 1992, entitled

“Information Technology—Digital Compression and Coding of Continuous Tone Still Images—Requirements and Guidelines,” the identical text of which is also published as ISO/IEC International Standard 10918-1, or with any version or variance thereof defining a lossy compression scheme (hereinafter referred to as “the Accused Devices”). The Accused Devices are covered by, and carry out methods that are covered by, one or more claims of the ‘672 patent.

35. Through their actions including offering to sell, selling, using and importing the Accused Devices, Defendants have infringed the aforementioned patent and actively induced others to infringe and contributed to the infringement by others of the ‘672 patent in the United States, including within the jurisdiction of this Court. Certain of the Defendants also have made the Accused Devices in the United States, and such Defendants have also infringed the aforementioned patent by their actions in this regard.

36. CLI is likely to be irreparably harmed by Defendants’ infringement, inducement of others to infringe, and contributory infringement of the ‘672 patent. CLI has no adequate remedy at law.

WHEREFORE, CLI prays for judgment that:

A. United States Patent No. 4,698,672 has been infringed, directly, by inducement, and/or contributorily, by each Defendant;

B. Each Defendant, its officers, agents, servants and employees, and those persons in active concert and participation with any of them, be permanently enjoined from the direct or contributory infringement of, and from inducing others to infringe, United States Patent No. 4,698,672;

C. CLI be awarded damages sufficient to compensate it for each Defendant’s infringement, contributory infringement and inducement of others to infringe, that such damages

be increased to three times the amount found or assessed pursuant to 35 U.S.C. § 284, and that such damages be awarded to CLI with prejudgment interest;

D. That this case be declared exceptional pursuant to 35 U.S.C. § 284 and that CLI be awarded its attorney fees, costs and expenses in this action; and

E. CLI be awarded such other and further relief as the Court may deem just.

CLI DEMANDS A TRIAL BY JURY.

Respectfully submitted,  
Compression Labs, Inc.

Dated: June 21, 2004

By: Stephen G. Rudisill by SCC by permission

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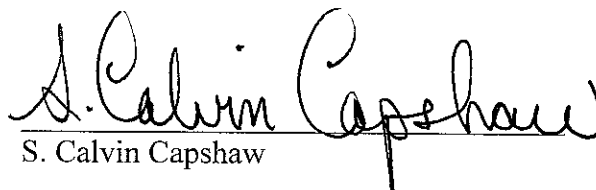
**CERTIFICATE OF SERVICE**

I hereby certify that on the 21<sup>st</sup> day of June, 2004, a true and correct copy of the foregoing FIRST AMENDED COMPLAINT was deposited in the United States Mail, postage prepaid, and addressed to the following counsel of record:

<u>Adobe Systems, Incorporated</u> Robert T. Halsam Heller Ehrman White & McAuliffe LLP 275 Middlefield Road Menlo Park, California 94025-3506	<u>Creative Labs, Incorporated</u> Attention: Legal Department 1901 McCarthy Boulevard Milpitas, California 95035
<u>Agfa Corporation</u> Attention: Legal Department 100 Challenger Road Ridgefield Park, New Jersey 07660	<u>Eastman Kodak Company</u> Nicholas H. Patton Robert W. Schroeder, III Patton, Tidwell & Schroeder, LLP 4605 Texas Boulevard P.O. Box 5398 Texarkana, Texas 75505
<u>Apple Computer Incorporated</u> Herschel Tracy Crawford Eric H. Findlay Ramey & Flock 100 East Ferguson, Suite 500 Tyler, Texas 75702	<u>Fuji Photo Film U.S.A.</u> Attention: Legal Department 200 Summit Lake Drive Valhalla, New York 10595
<u>Axis Communications, Incorporated</u> Barry W. Graham Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P. 1300 I Street, N.W. Washington, D.C. 20005-3315	<u>Fujitsu Computer Products of America</u> Michael M. Murray Christopher Chalsen Milbank, Tweed, Hadley & McCloy LLP 1 Chase Manhattan Plaza New York, New York 10005-1413
<u>Canon U.S.A., Incorporated</u> Attention: Legal Department One Canon Plaza, Lake Success New York, New York 10042	<u>Gateway, Incorporated</u> W. Bryan Farney Darryl J. Adams Dewey Ballantine LLP 401 Congress Avenue Suite 3200 Austin, Texas 78701-2478
<u>Concord Camera Corporation</u> Kerry Sisselman 400 Hollywood Boulevard Suite 659 North Hollywood, Florida 33021	<u>Hewlett-Packard Company</u> Sean C. Cunningham Bruce Watrous Gray Cary Ware & Freidenrich LLP 401 B Street, Suite 2000 San Diego, CA 92101-4240

<u>JASC Software</u> Deakin T. Lauer Merchant & Gould PC 3200 IDS Center 80 South Eighth Street Minneapolis, Minneapolis 55402  Franklin A. Poff, Jr. Crisp, Boyd & Poff, LLP 2301 Moores Lane P.O. Box 6297 Texarkana, Texas 75505	<u>Matsushita Electric Corporation of America</u> Morton Amster Abraham Kasdan Joseph Casino Amster, Rothstein & Ebenstein, LLP 90 Park Avenue New York, New York 10016  Eric M. Albritton Albritton Law Firm P.O. Box 2649 Longview, Texas 75606-2649
<u>JVC Americas Corporation</u> Attention: Legal Department 1700 Valley Road, Suite 1 Wayne, New Jersey 07470	<u>Mitsubishi Digital Electronics America, Incorporated</u> Attention: Legal Department 9351 Jeronimo Road Irvine, California 92618
<u>Kyocera Wireless Corporation</u> Jennifer P. Ainsworth Wilson, Sheehy, Knowles, Robertson & Cornelius, P.C. 315 East Fifth Street Tyler, Texas 75701	<u>Oce North America, Incorporated</u> Frederick H. Colen Reed Smith LLP 435 Sixth Avenue Pittsburgh, PA 15219  Clyde Siebman Siebman Reynolds Burg & Phillips, LLP Federal Courthouse Square 300 N. Travis St. Sherman, Texas 75090
<u>Macromedia Incorporated</u> Charlene Morrow Fenwick & West LLP 801 California Street Mountainview, California 94041  Harry Lee Gillam, Jr. Melissa Smith Gillam & Smith LLP 110 South Bolivar Street Suite 204 Marshall, Texas 75670	<u>Onkyo USA Corporation</u> Robert F. Zielinski Wolf, Block, Schorr and Solis-Cohen LLP 1650 Arch Street, 22 <sup>nd</sup> Floor Philadelphia, Pennsylvania 19103  Barry J. Bendes Wolf, Block, Schorr and Solis-Cohen LLP 250 Park Avenue New York, New York 10177

<u>PalmOne, Incorporated</u> Attention: Legal Department 400 North McCarthy Boulevard Milpitas, California 95035	<u>Savin Corporation</u> Attention: Legal Department 333 Ludlow Street Stamford, Connecticut 06902
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<u>Ricoh Corporation</u> Attention: Legal Department 5 Dedrick Place West Caldwell, New Jersey 07006	<u>Xerox Corporation</u> Attention: Legal Department 800 Long Ridge Road Stamford, Connecticut 06904
<u>Riverdeep, Incorporated (d.b.a. Broderbund)</u> Attention: Legal Department 500 Redwood Boulevard Novato, California 94947	

  
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